GOVERNMENT OF THE DISTRICT OF COLUMBIA

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OFFICE OF THE INSPECTOR GENERAL

717 14TH STREET, N.W., 5TH FL.
WASHINGTON, D.C. 20005
(202) 727-2540

May 11, 1999

Gregory P. Irish, Director
Department of Employment Services
500 C Street, NW Room 600
Washington, DC 20001

SUBJECT: Management Alert Letter on the Job Training Partnership Act

Dear Mr. Irish:

As part of our review of the Department of Employment Service (DOES) Tax Accounting System, we also examined the Job Training Partnership Act (JTPA) program. The purpose of this Management Alert Letter is to advise you of the urgent need to develop a viable contingency plan to prevent service interruptions that directly affect the participants in the JTPA program. During a four-week period between March and April 1999, because of a data input hardware failure, JTPA program recipients who were eligible for financial assistance did not receive support payment checks.

The federally-funded JTPA program is designed to help economically disadvantaged adults and youth, dislocated workers and others who may have significant problems in obtaining job training, education, and job placement assistance. Eligible participants of the JTPA program may receive financial assistance for transportation, childcare, health care, temporary shelter, and drug/alcohol counseling. DOES is responsible for administering the JTPA program, processing JTPA applications and selecting applicants who are eligible for participation in the JTPA program. Applicants receiving training are required to fill out time and attendance sheets to certify training attendance. The DOES reviews and certifies the time and attendance sheets and inputs the time and attendance data into the system for the processing of benefit checks.

Beginning on March 25, through April 28, 1999, DOES did not process any JTPA applications because of a data input hardware failure. Additionally, we were informed by DOES officials that this was not the first time JTPA payments had been delayed because of system related problems. During both instances, service interruptions occurred because no contingency plan was developed for the continued processing of financial assistance payments. As a result, eligible JTPA program participants did not receive financial assistance payments until the system was fixed. This meant that approximately 400-500 financial assistance checks per week were not being processed.

Officials of the DOES Office of Management Information and Data Systems (OMIDS) informed us that the Office of the Chief Technology Office (OCTO) was assisting in assessing the situation. DOES further informed us that an emergency procurement was being sought to resolve the problem. However, we were informed by the OCTO that the support that is being provided for DOES was directed toward identifying a programmer and not toward resolving the system problem affecting the JTPA program. As of the date of this Management Alert Letter, officials of OMIDS have informed us that, although the hardware problem had been resolved, no contingency plan has been developed to assist in the prevention of future service interruptions.

The industry standards for information technology controls, policies and procedures are contained in the publication, Control Objectives for Information and Related Technology COBIT[1]. These standards provide that "...the continuity [plan] should ensure that the user departments establish alternative processing procedures that may be used until the information services function is able to fully restore its services after a disaster or event..." The development of a contingency could have prevented the disruption of service to JTPA participants

RECOMMENDATION

We are recommending that DOES develop a contingency plan to prevent the reoccurrence of the last two system failures and provide a copy of it to this office.

~~The subject matter discussed in this Management Alert Letter is still under review. Accordingly, you are requested to provide its contents only to management personnel within the Government of the District of Columbia responsible for administrating the areas discussed. The contents of this management alert letter should not be given out without the consent and approval of the Interim Inspector General.~~ Please let us know the action you have taken or plan on the matter by May 20, 1999.

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[1] The Control Objectives for Information and Related Technology (COBIT) was designed because of the need for standards in the information technology environment. COBIT establishes a standard on controls, policies, and procedures for information technology (IT).

Should you have any questions about this Management Alert Letter, please call me at (202) 727-2540, or John N. Balakos, Assistant Inspector General for Audits, at (202) 727-9749.

Sincerely yours,

Charles C. Maddox, Esq.
Interim Inspector General

cc: Suzanne J. Peck, Chief Technology Officer

JUN - 8 1999

Charles C. Maddox, Esq.
Inspector General
Office of the Inspector General
717 14th Street, N.W., 5th Floor
Washington, D.C. 20005

Dear Mr. Maddox:

This is a response to your Management Alert Letter dated May 11, 1999, which referenced the Department of Employment Services' (DOES) lack of alternative methods for issuing needs based payments to Job Training Partnership Act participants when its regular financial systems malfunction.

DOES' automated infrastructure is failing. The department, lacking sufficient resources, has been unable to maintain and replace aging hardware and glitch prone software over the past ten years. Only through the ingenuity and tenacity of DOES' technology staff, are the current systems able to perform limited operations essential to the success of various workforce development and benefit programs.

Recognizing the above vulnerabilities, DOES obtained the required approvals for an emergency procurement to secure remediation services from an external entity. Said action was taken prior to the extensive automation breakdowns that occurred in late March and were witnessed by OIG personnel. In fact, the selected contractor completed development of a new, stand-alone, PC reliant, data entry system on March 5th. A needs based payment tape was generated thereafter and forwarded to SHARE for appropriate handling.

Unfortunately, SHARE could not access the JTPA information due to an interface problem. Once SHARE's difficulties were resolved, SOAR delayed disbursing checks to JTPA participants because the financial cluster had not reserved sufficient funding to cover the expense. Only in the last three weeks have all payments been facilitated.

With a new data entry system in place, a recurrence of past events is less likely. However, just in case, the following contingencies are available for activation by DOES:

1.   Data entry applications can be loaded from backup disks and moved to another local area network or stand-alone PC. The two separate and distinct systems are located in the department's 500 C Street, N.W. facility.

2.   A check producing module of the needs based payment software can be implemented, in the event SOAR, SHARE or the U.S. Treasury are unable to process payments.

Until recently, all needs based payment checks were produced on printers at DOES that are still useable. With the CFO's concurrence, these machines could be pressed into service until normal operations are restored. The CFO would also be expected to make arrangements with a bank to provide check stock to DOES.

Absent a windfall to underwrite extensive automation improvements, the department's limited resources will continue to be primarily directed toward support of its mainframe operations. Other systems are less critical, although their importance to the efficient and effective operation of DOES' programs cannot be overstated. Every effort will be made to incrementally address technology shortcomings, so as to avoid future service interruptions.

Thank you for the opportunity to respond. Please feel free to telephone me at 724-7712 with any questions regarding this matter.

Sincerely,

Gregg Irish
Director